

STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF CONSUMER SERVICES

IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Mortgage Broker Practices Act of Washington
by:

FIRST SOURCE FINANCIAL USA, and
JOSEPH N. GIULIANO, President,

Respondents.

NO. C-03-217-04-CO01

OAH Case No. 2004-DFI-0002

CONSENT ORDER
BETWEEN THE DEPARTMENT AND

FIRST SOURCE FINANCIAL USA

COMES NOW the Director of the Department of Financial Institutions (Director), through her designee Chuck Cross, Division Director, Division of Consumer Services, and First Source Financial USA (hereinafter referred to as First Source), and finding that the issues raised in the captioned matter may be economically and efficiently settled, agree to the entry of this Consent Order. This Consent Order is entered pursuant to chapter 19.146 of Revised Code of Washington (RCW), and RCW 34.05.060 of the Administrative Procedure Act, based on the following:

AGREEMENT AND ORDER

The Department of Financial Institutions, Division of Consumer Services (Department) and First Source have agreed upon a basis for resolution of the matters alleged in Statement of Charges and Notice of Intention to Enter an Order To Revoke License, Impose Monetary Penalty, Prohibit from Participation in the Industry and Collect Investigation Fee (Statement of Charges) No. C-03-217-03-SC01 issued December 11, 2003 (copy attached hereto and incorporated herein). Pursuant to chapter 19.146 RCW, the Mortgage Broker Practices Act (Act) and RCW 34.05.060 of the Administrative Procedure Act, First Source hereby agrees to the Department's entry of this Consent Order and further agrees that the issues raised in the above captioned matter may be economically and efficiently settled by entry of this Consent Order. The parties intend this Consent Order to fully

resolve the Statement of Charges as it relates to First Source. First Source is agreeing not to contest said Statement of Charges in consideration of the terms of this Consent Order.

Based upon the foregoing:

A. **Jurisdiction.** It is AGREED that the Department has jurisdiction over the subject matter of the activities discussed herein.

B. **Consent to Be Bound By Order.** It is AGREED that the parties shall be bound by the terms and conditions of this Consent Order as set forth herein.

C. **Waiver of Hearing.** It is AGREED that First Source has been informed of its right to a hearing before an administrative law judge, and that it has waived same right to a hearing and any and all administrative and judicial review of the issues raised in this matter, or of the resolution reached herein. Accordingly, First Source agrees to dismiss its appeal and to inform the Office of Administrative Hearings in writing of its dismissal.

D. **Non-Compliance with Order.** It is AGREED that First Source understands that failure to abide by the terms and conditions of this Consent Order may result in further legal action by the Director. In the event of such legal action, First Source may be responsible to reimburse the Director for the cost incurred in pursuing such action, including but not limited to, attorney fees.

E. **Prohibition from Industry.** It is AGREED that upon entry of this Consent Order First Source shall be prohibited from participation in the conduct of the affairs of any mortgage broker licensed in Washington for five (5) years in any capacity, including but not limited to: (1) any financial capacity whether active or passive or (2) as an officer, director, principal, employee, independent contractor, or loan originator. First Source FURTHER AGREES to

refrain from participation in the conduct of the affairs of any mortgage broker exempt under Washington law under RCW 19.146.0201(1)(d) or (f) for five (5) years in any capacity.

F. **Application for Mortgage Broker License.** It is AGREED that First Source shall refrain from applying for a mortgage broker license or consumer loan license under any name from the Department for a period of five (5) years.

G. **Fine.** It is AGREED that First Source shall immediately pay a fine in the amount of \$10,000.00 to the Department in the form of a cashier's check made payable to the "Washington State Treasurer."

H. **Investigation Fee.** It is AGREED that First Source shall immediately pay to the Department an investigation fee of \$286.68, calculated at \$47.78 per hour for 6 staff hours devoted to the investigation. Payment shall be made in the form of a cashier's check made payable to the "Washington State Treasurer."

I. **Authority to Execute Order.** It is AGREED that the undersigned has represented and warranted that he has the full power and right to execute this Consent Order on behalf of the party represented.

J. **Voluntarily Entered.** It is AGREED that the undersigned First Source has voluntarily entered into this Consent Order, which is effective when signed by the Director's designee.

K. **Completely Read, Understood, and Agreed.** It is AGREED that First Source has read this Consent Order in its entirety and fully understands and agrees to all of the same.

FIRST SOURCE FINANCIAL USA

By: /S/

Date: 8/11/04

Joseph Giuliano / President
Print Name and Title

/S/ Date: 8/12/04
WILLIAM RESNIK, Attorney at Law, WSBA # 15385
Attorney for First Source Financial USA

DO NOT WRITE BELOW THIS LINE.

THIS ORDER ENTERED THIS 12th DAY OF AUGUST, 2004.

/S/
CHUCK CROSS, Director
Division of Consumer Services
Department of Financial Institutions